

To: The Honorable Mayor and City Council

From: Arthur Sorey, Budget Director

Date: March 24, 2015

RE: Rate Action Committee (RAC) for Water Utility

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### **BACKGROUND**

The City of North Miami eliminated the collection of a base, second meter charge for water utility customers by a 5-0 vote from Mayor and Council on December 9, 2014. This action also retroactively credited any customers that might have paid this charge after November 1, 2014. The City has approximately 612 utility customers that have a second meter with a base charge. The financial impact of the base charge removal and no rate adjustment is an annual revenue loss of approximately \$251,991 for the utility operation.

### **RECOMMENDATION**

Staff recommends the creation of a Rate Action Committee (RAC). The committee will consist of 11 voting members (two members appointed by each Council Member and three appointed by the Mayor) to provide recommendations, guidance, and support to City Staff and Council on water rate matters.

### **Attachments**

Rate Action Committee: Overview and Functions Backup

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF NORTH MIAMI, FLORIDA, AUTHORIZING THE CREATION OF THE RATE ACTION COMMITTEE (RAC) TO PROVIDE RECOMMENDATIONS, GUIDANCE, AND SUPPORT TO CITY ADMINISTRATION ON MATTERS REGARDING THE WATER AND SEWER RATE STUDY IN ACCORDANCE WITH PROPOSED BYLAWS, IN SUBSTANTIALLY THE ATTACHED FORM; AND FURTHER AUTHORIZING THE CITY MANAGER TO DO ALL THINGS NECESSARY TO ESTABLISH AND IMPLEMENT THE RAC; PROVIDING FOR AN EFFECTIVE DATE AND FOR ALL OTHER PURPOSES.**

**WHEREAS**, the City of North Miami (“City”) is in the process of adjusting the 2015 Water and Sewer Rate Study (“Study”) to address, among other things, the financial impact associated with the elimination of a base, second meter charge for approximately six hundred twelve (612) water utility customers; and

**WHEREAS**, City administration is desirous of creating the Rate Action Committee (“RAC”) to provide the City with recommendations, guidance, and support on matters regarding the Study in accordance with the attached set of proposed Bylaws; and

**WHEREAS**, the RAC will consist of eleven (11) members, of which: two (2) members are appointed by each Council member, and three (3) members appointed by the Mayor; and

**WHEREAS**, City administration will provide adequate staff and an appropriate public location to facilitate and support the mission of the RAC; and

**WHEREAS**, the RAC will continue to provide its services to the benefit of the City, until such time as the City Council considers the completed Study at a duly advertised public meeting, and renders its final vote on the matter; and

**WHEREAS**, the Mayor and City Council find that the creation of the RAC, to aid in the development of an equitable Study outlining both, positive and negative impacts of potential water and sewer rates, is in the best interest of the City and advantageous to affected utility consumers.

**NOW THEREFORE, BE IT DULY RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF NORTH MIAMI, FLORIDA:**

**Section 1.**      **Creation of Rate Action Committee.** The Mayor and City Council of the City of North Miami, Florida, hereby authorize the creation of the Rate Action Committee (RAC) to provide recommendations, guidance, and support to City Administration on matters regarding the Water and Sewer Rate Study in accordance with proposed Bylaws, in substantially the attached form.

**Section 2.**      **Authority of City Manager.** The Mayor and City Council of the City of North Miami, Florida, hereby authorize the City Manager to do all things necessary to establish and implement the Rate Action Committee.

**Section 3.**      **Effective Date.** This Resolution shall become effective immediately upon adoption.

**PASSED AND ADOPTED** by a \_\_\_\_\_ vote of the Mayor and City Council of the City of North Miami, Florida, this 24<sup>th</sup> day of March, 2015.

\_\_\_\_\_  
DR. SMITH JOSEPH  
MAYOR

ATTEST:

\_\_\_\_\_  
MICHAEL A. ETIENNE, ESQ.  
CITY CLERK

APPROVED AS TO FORM  
AND LEGAL SUFFICIENCY:

\_\_\_\_\_  
REGINE M. MONESTIME  
CITY ATTORNEY

SPONSORED BY: CITY ADMINISTRATION

Moved by: \_\_\_\_\_

Seconded by: \_\_\_\_\_

**Vote:**

Mayor Smith Joseph, D.O., Pharm.D.

\_\_\_\_\_ (Yes) \_\_\_\_\_ (No)

Vice Mayor Carol Keys, Esq.

\_\_\_\_\_ (Yes) \_\_\_\_\_ (No)

Councilman Scott Galvin

\_\_\_\_\_ (Yes) \_\_\_\_\_ (No)

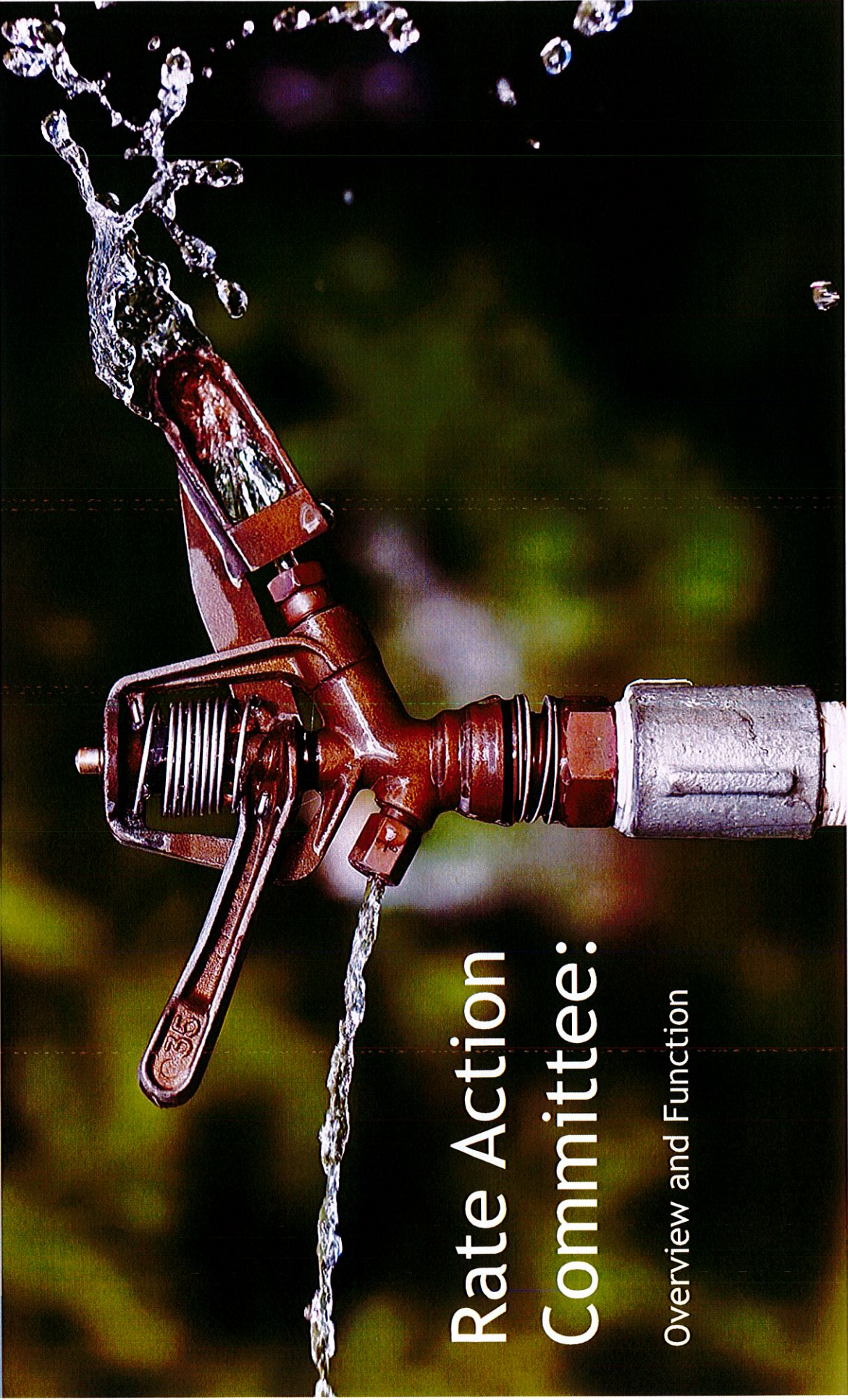
Councilman Philippe Bien-Aime

\_\_\_\_\_ (Yes) \_\_\_\_\_ (No)

Councilwoman Marie Erlande Steril, MSW

\_\_\_\_\_ (Yes) \_\_\_\_\_ (No)



A close-up photograph of a brass faucet with water splashing out of it. The faucet is mounted on a wall, and the water is captured in mid-air, creating a dynamic splash. The background is a blurred green, suggesting foliage.

# Rate Action Committee:

Overview and Function



# Rate Action Committee

## Overview

1. Purpose
2. Committee
3. Term
4. Functions
5. Committee Initiation Activities

# Rate Action Committee

## Purpose:

- The Rate Action Committee (RAC) will provide leadership, guidance, and support to the City Staff during the process of completing the Water and Sewer Rate Study.
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# Rate Action Committee

## Committee:

- Consist of 11 voting members:
  - Two (2) members appointed by each City Council Member
  - Three (3) members appointed by the Mayor
- Voting members must be residents of the City of North Miami
- A quorum of 7 voting members is required for all meetings
- Any member that misses two meetings will be disbanded from the Committee
  - The City Council member the appointed the disbanded member will have to appoint another member prior to the next scheduled committee meeting
- Public participation during the RAC meeting is encouraged



# Rate Action Committee

## Term:

- The term of the RAC must be aligned with the schedule of the Water and Sewer Rate Study through approval and implementation.
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# Rate Action Committee

## Functions:

- Present and provide recommendations to the City Council for the approval of new water and sewer rates
  - Vote and establish the goals and objectives for developing the water and sewer rates
  - Review the analysis and findings of the water and sewer rate study:
    - Consider all the cost associated with providing utility service
    - Consider the long term and short term consequences of implementing the water and sewer rate adjustments
    - Advise the City Council on the positive and negative impacts of adjusting the water and sewer rates
  - Vote and finalize the proposed water and sewer rates to be presented to the City Council for approval
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# Rate Action Committee

## Committee Initiation Activities:

- Retain City Council approval to form the Rate Action Committee (RAC)
  - Development of an RAC Charter
  - Appoint the 11 voting RAC members
  - Appoint a Rate Consultant
  - Appoint a RAC facilitator
  - Develop a Water and Sewer Rate Study Schedule
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# Rate Action Committee

## QUESTIONS





## **CITY OF NORTH MIAMI, FLORIDA**

### **BYLAWS RATE ACTION COMMITTEE**

#### **SECTION 1.0 – NAME**

**1.0 – Name:** The name of the committee is the City of North Miami (City) Rate Action Committee (RAC).

#### **SECTION 2.0 – PURPOSE**

**2.0 – Purpose:** The purpose of this group is to provide leadership, guidance, and support to the City Staff in an advisory manner during the completion of the 2015 Water and Sewer Rate Study.

#### **SECTION 3.0 - COMMITTEE**

**3.0 -- Committee and role:** The RAC will review, discuss, and provide direction to City staff related to the analysis and findings of the 2015 Water and Sewer Rate Study. Upon the completion of the 2015 Water and Sewer Rate Study, the RAC will vote and finalized the proposed rate and present these result to the City Council for approval.

The committee will be comprised of 11 voting members, of which, each City Council member will appoint two members and Mayor will appoint three. The mix of RAC members should by representative of the constituencies and mix of water and sewer customer served by the City Council, should promote positive and productive dialogue in an effort to serve the constituents of the City of North Miami, and pledge to appropriately share the results of the study with the City Council and the Public.

##### **3.1 – Eligibility of Members:**

- Any resident of the City of North Miami appointed by the City Council
- Any business owner, property owner, or rate payer served by the City of North Miami
- Any appointed person that accepts the appointment through a written correspondence to the City Council accepting the appointment

##### **3.2 – Term:**

RAC members will serve a term that is aligned with the commencement and completion of the 2015 Water and Sewer Rate Study.

**3.3 – Termination from RAC:** Resignation from the RAC must be in written from and provided to the Chairperson of the RAC. A RAC member is automatically disbanded from the committee if he/she missed two meetings. Upon missing two meetings, the RA Chairperson will provided written notice to the former RAC member confirming the disbandment.

In addition, an RAC member can be removed from the Committee by a majority vote as deemed appropriate by the Committee.

If and when a RAC member vacancy existing, the appointee for that vacant position will work with City staff to immediately appointed and confirm a new member.

#### **SECTION 4.0 – COMMITTEE CHAIRS**

**4.0 – Committee Chairs:** The RAC Chairperson and Vice-chair must be nominated by the Mayor and confirmed by the City Council. These persons will serve a term that is aligned with the commencement and completion of the 2015 Water and Sewer Rate Study.

**4.0 – Committee Chairs' Role:** The RAC Chairperson will encourage members to participate in discussion, promote appropriate and timely decision making, instruct City staff to draft meeting minutes and undertake certain administrative tasks, and support the RAC facilitator in moving the meetings and workshops forward in a progressive manner. The Chairperson will serve as the principal spokesperson for the RAC in communicating with City staff and the City Council through the entirety of the 2015 Water and Sewer Rate Study.

The Vice-chair will provide assistance to the Chairperson on all tasks and serve as the Chairperson in the absence of the Chairperson.

#### **SECTION 5.0 – FACILITATOR**

**5.0 – Facilitator:** The facilitator will preside over all RAC proceedings and promote a productive environment that allows members of the RAC to make informed decisions during the process of the 2015 Water and Sewer Rate Study.

The Facilitator will be appointed by the City Manager.

#### **SECTION 6.0 – RAC MEETINGS**

**6.0 – Regular meetings:** During the course of the 2015 Water and Sewer Rate Study, it is anticipated that there will be two meeting per month.

**6.1 – Special meetings:** The Chairperson may call special meetings as required and agreed upon through a majority vote by the RAC members

**6.2 – Notice of meetings:** City staff will provide printed notice of each meeting to each voting member, by mail, not less than 3 business days prior to the meeting. As a part of the meeting notice, the City staff will draft the meeting agenda and provide all related material for the RAC members to review.

**6.3 – Meeting schedule:** City staff will provide an official schedule of all RAC proceedings no less the 7 business days prior to the commencement of all RAC activities.

**6.4 – Quorum:** More than 50% of the appointed RAC members must be present at any meeting to constitute a quorum. A RAC meeting can proceed without quorum, but no action may be taken without a quorum present.



**6.5 – Decision Making:** Any major decision or action that must be taken by the RAC will be taken and facilitated through a majority vote by the appointed RAC members. The Chairperson will drive the proceedings to gain a resolution through a vote. Prior to voting on any issues or items, a vote must be taken by the appointed RAC members to finalize a list of items to be voted on.

#### **ARTICLE 7.0 – AMENDMENTS**

**7.0 – Amendments:** The bylaws presented above may be amended by a 72.7% (8 yes and 3 no) vote at a minimum. Proposed amendments must be submitted by the RAC Chairperson to the City Manager.

#### **APPROVAL**

These bylaws, if and when approved by the City Council, will take immediate effect through the completion of the 2015 Water and Sewer Rate Study.